

Module 3: Licensing, Registration And Insurance



Updated March 2021

MODULE CONTENTS



Module 3 aims to provide carriers with basic information about licensing, registration and insurance. The contents of this module are as follows.

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This module serves only as a guide and cannot replace regulatory legislation. However, every effort has been made to ensure the information in this module is accurate at the time of preparation. The material in these documents are not intended to represent a full training course in any subject area covered, nor is it intended to be reproduced or sold for commercial purposes or financial gain.

DRIVER LICENSING

There are five classes of driver's licences that apply to commercial carriers in Alberta. Each licence allows a driver to operate a different kind of vehicle. It is important that a driver holds the correct licence when operating a vehicle. Not only does the driver need to obtain the proper class of operator's licence for the vehicle they operate, but they also need to have the proper knowledge and skills to operate a vehicle safely.

The following is a summary of what operations are allowed under each class of licence. Laws about these classes may be found in Sections 21-25 of the *Operator Licensing and Vehicle Control Regulation*, AR 320/2002.

Class 1



- Driver may operate any motor vehicle or combination of vehicles, other than a motorcycle;
- Driver must successfully complete an approved air brake endorsement (Q) course.

Class 2



- Driver may operate any bus;
- Driver may operate any vehicle that has a Class 3, 4 or 5 operator may drive.

Class 3



- Driver may operate a single motor vehicle with 3 or more axles;
- Driver may operate any motor vehicle towing a trailer that is not equipped with air brakes.

Class 4



- Driver may operate a taxi, ambulance or bus where seating capacity is not over 24, excluding the operator;
- Driver may operate any vehicle that a Class 5 operator may drive.

Class 5



- Driver may operate a two axle single motor vehicle, excluding a motorcycle;
- Driver may tow a trailer with one or more axles, provided the trailer is not equipped with air brakes.

Effective March 1, 2019, drivers seeking a Class 1 (tractor-trailer) or Class 2 (bus) are required to complete Mandatory Entry-Level Training (MELT) to apply for their commercial driver's licence. Class 2, 3, 4, or 5 drivers must obtain the air brake endorsement ("Q") if they want to operate vehicles that are equipped with air brakes. Drivers with a Class 1, 2 or 4 licence may also apply for the school bus driver endorsement ("S").

For more information about driver licensing in Alberta, refer to the [Commercial Driver's Guide to Operation, Safety and Licensing](#) or visit: www.alberta.ca/service-alberta.aspx.

VEHICLE REGISTRATION

There are different types of commercial plates depending on the business's use for the vehicle, such as where the carrier intends on operating and if the carrier is transporting goods belonging to another person(s) or business. You can visit our website for more information at:

<https://www.alberta.ca/register-vehicle.aspx> or contact your local registry agent.

It is important for a carrier to find out which class of plate they need. A carrier who does not register a vehicle using the correct class of plate may be charged with an offence or have their vehicle detained until they obtain the proper registration.

The following is a brief summary of what operations are authorized under each class of registration. Registration laws related to these classes may be found in Sections 76-78 of the *Operator Licensing and Vehicle Control Regulation, AR 320/2002*.



CLASS 1 PLATES

Commercial vehicles which are used provincially, federally and internationally for:

- Transporting an owner's own goods or another person's goods for compensation
- Passenger transportation services including school bus, charter bus and taxi operations.
- Example: Transport Network Companies (TNCs) are included as a Class 1.



CLASS 2 PLATES

Commercial vehicles which perform special operations. Some operations include:

- Transporting goods within a 10 km radius of the registered address (carrier can leave 10km radius with certain exemptions)
- Operating provincially while conducting specific industry services. Refer to the regulations for more details.



CLASS 3 PLATES

Commercial vehicles which transport goods owned by the owner of the vehicle.

Commercial vehicles that are registered to and operated by governments, municipalities, hospitals, school boards or First Nations bands.

A class 3 plate may NOT be used to transport other persons' goods for compensation.

More information is available online at: www.alberta.ca/licence-plates.aspx

SAFETY FITNESS CERTIFICATES

Vehicle or Operation Type	Safety Fitness Certificate Required	Vehicle Plate Class Required
A. Passenger Transportation Services		
Driver Training School using buses defined under the NSC program for training purposes only – no vehicles used for commercial purposes.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 2 Restricted plate
School Board/Division transporting students; regular school bus runs between homes and school.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 3 Government plate
School Board/Division transporting students in a bus on field trips that are authorized by the school principal.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 3 Government plate
Sole Proprietor/Corporation – school bus runs between home and school or transports students on field trips that are authorized by the school principal.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 1 School bus plate
Commercial Scheduled Service.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 1 Commercial bus plate
Commercial Charter Service.	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 1 Commercial bus plate
Daycare/Nursery School – when transporting children more than once a week and/or charging for the service.	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 2 Private bus plate

Vehicle or Operation Type	Safety Fitness Certificate Required	Vehicle Plate Class Required
A. Passenger Transportation Services		
Corporations transporting their own employees.	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 2 Private bus plate
Governments – City, towns, counties, etc.	Yes	Class 3 Government plate
Government providing Community Service – transporting seniors, community groups, etc.	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 3 Government plate
Community Service Groups transporting seniors, community groups, etc.	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 1 or 2 Private bus plate
Municipal transit bus.	Yes	Class 3
Corporations providing transit service for and on behalf of a municipality	Yes If vehicle is designed for 11 or more passengers (including driver)	Class 1 Commercial bus plate

Vehicle or Operation Type	Safety Fitness Certificate Required	Vehicle Plate Class Required
B. Transporting Goods by Trucks, Tractors, and Trailers		
Driver Training School using vehicles registered for a weight of 11,794kg or more. Vehicle may not transport goods for compensation.	Yes	Class 2 Restricted plate
Driver Training School using vehicles registered for a weight of 11,793kg or less must operate solely within Alberta. Vehicle may not transport goods for compensation.	No	Class 2 Restricted plate

Carrier is hauling goods using vehicle registered for 11,794kg or more	Yes	Class 1, 2, or 3 if within Alberta
Carrier is hauling owner's own goods within a 10km radius of the carrier's registered address in Alberta.	Yes	Class 2 Restricted plate
Carrier is a bona fide farm operation hauling owner's own goods to various points within Alberta.	No	Class 2 Farm plate
Carrier is hauling other persons' goods for hire within a 10 km radius of the carrier's registered address.	Yes	Class 2 Restricted commercial plate
C. Other		
Carrier is operating a livery (taxi) operation and/or on-demand service.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 1 Ride-for-Hire
Carrier is operating a short-term rental vehicle with a designed seating capacity of up to 15 passengers.	Yes If vehicle is designed for 11 or more passengers (including the driver)	Class 1
Carrier is operating a short-term rental commercial truck.	Yes If vehicle operates outside of Alberta and weighs more than 4,500kg or if vehicle operates only within Alberta and weighs 11,794 kg	Class 1

OPERATING STATUS

Carriers who need a Safety Fitness Certificate must also find out whether they are a provincial or federal operator. This means that each carrier must declare whether they will be operating vehicles only within Alberta or outside of the province.



A carrier must have a **PROVINCIAL** Operating Status if the following applies:

They operate only within Alberta:

They operate a commercial vehicle that is registered for a weight of 11,794 kilograms or more; or

They operate a commercial vehicle with a manufacturer's seating capacity originally designed for 11 or more persons, including the driver.

A carrier must have a **FEDERAL** Operating Status if the following applies:

They operate in multiple provinces, territories or states:

They operate a commercial vehicle that is registered for or weighs more than 4,500 kilograms; or

They operate a commercial vehicle with a manufacturer's seating capacity originally designed for 11 or more persons, including the driver.

Carriers may apply to change their Operating Status if they are making changes to their operations.

There are **no permit options** that allow a provincially regulated carrier to operate outside of Alberta. If a carrier operates any regulated vehicles outside of Alberta, the carrier will be required to obtain a "Federal" Operating Status.

Carriers with a "Provincial" Operating Status who operate near the Alberta/Saskatchewan border may

operate within the city limits of Lloydminster on either side of the border.

Provincial carriers may also operate on Highway 17 provided their trip starts and ends in Alberta and no services are received or provided in Saskatchewan. These services may include fuel, accommodation, vehicle loading or unloading, meals, and vehicle repairs or maintenance.



More information about Alberta/Saskatchewan border requirements is available online at:
www.alberta.ca/alberta-saskatchewan-border-requirements.aspx.



SAFETY FITNESS CERTIFICATE

CERTIFICATE NUMBER

00000000

NSC NUMBER

AB999-9999

MVID

0000-00000

OPERATING STATUS

Provincial

EFFECTIVE

January 1, 2021

CERTIFICATE HOLDER

Sample Carrier

4999 98 Ave NW

Edmonton, Alberta Canada T6B 2X3

Last Revised Date**EXPIRY (THIS CERTIFICATE EXPIRES AS INDICATED BELOW UNLESS OTHERWISE SUSPENDED OR CANCELLED)**

December 31, 2024

This Certificate is issued pursuant to the Traffic Safety Act. The holder of this Certificate may operate vehicles anywhere in Alberta that are registered for a gross weight of 11,794 kilograms or greater, or designed with a seating capacity of 11 or more persons including the driver. This Certificate is not valid when the carrier operates or intends to operate outside of Alberta.

The original or a copy of this Certificate must be carried in vehicles operating under the authority of this certificate and produced on demand of a Peace Officer.

This Certificate will be cancelled where the holder has not operated a vehicle authorized by this certificate for a 12 month period.

This Certificate may be suspended or cancelled for failing to comply with transportation legislation.



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SAFETY FITNESS CERTIFICATE

CERTIFICATE NUMBER

00000000

NSC NUMBER

AB999-9999

CERTIFICATE HOLDER

Sample Carrier

MVID

0000-00000

4999 98 St NW

Edmonton, Alberta Canada T6B 2X3

OPERATING STATUS

Federal

Last Revised Date
EFFECTIVE

January 01, 2021

EXPIRY (THIS CERTIFICATE EXPIRES AS INDICATED BELOW UNLESS OTHERWISE SUSPENDED OR CANCELLED)

December 31, 2024

This Certificate is issued pursuant to the Motor Vehicle Transport Act and the Traffic Safety Act . This Certificate is valid anywhere in Canada and applies to commercial vehicles registered for a gross weight of more than 4,500 kilograms, or designed with a seating capacity of 11 or more persons including the driver . This includes trips operated point-to-point within Canada or from/ to the US border. This Certificate is not valid outside of Canada.

The original or a copy of this Certificate must be carried in vehicles operating under the authority of this certificate and produced on demand of a Peace Officer.

This Certificate will be cancelled where the holder has not operated a vehicle authorized by this certificate for a 12 month period.

This Certificate may be suspended or cancelled for failing to comply with transportation legislation.



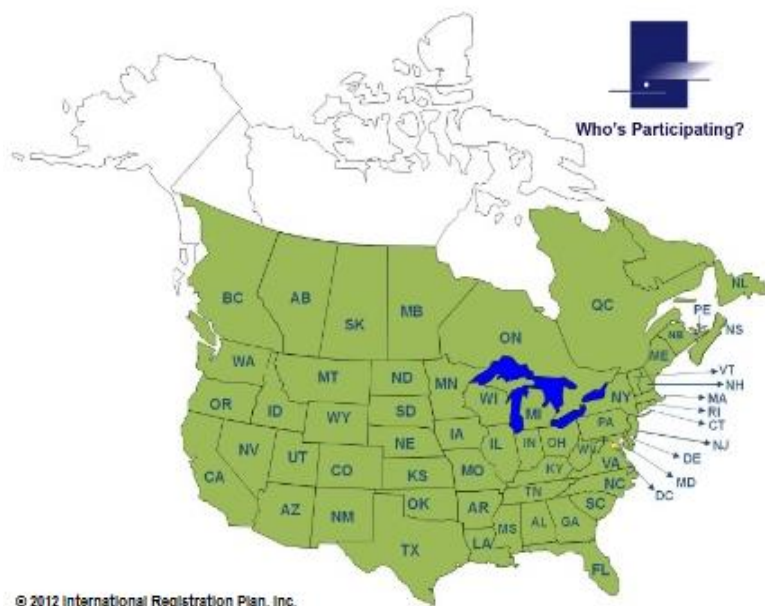
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INTERNATIONAL REGISTRATION PLAN (IRP)

The International Registration Plan (IRP) is an agreement between the United States and Canada that allows for the sharing of commercial vehicle registration fees. This plan was created to encourage the fullest possible use of the highway system between member provinces, territories and states.

Federal carriers operating Alberta-plated vehicles can apply through Prorate Services for vehicle registration in other provinces or states. The Alberta government will issue a cab card for each vehicle the carrier operates. The cab card will specify which member IRP locations a vehicle may operate in.



An IRP registration does NOT:

- Exempt a carrier from paying motor fuel taxes in any province or state;
- Exempt a carrier from obtaining a Safety Fitness Certificate and/or meeting the requirements of an Operating Authority Certificate;
- Allow a carrier to operate outside of Alberta with a Provincial Operating Status;
- Allow a carrier to exceed maximum height, length, width and axle limitations.

For more details on the International Registration Plan (IRP) contact:

Prorate Services

Phone: 403-297-2920

Toll Free from Within Alberta: 310-0000

Website: www.alberta.ca/prorate-services-overview.aspx

INTERNATIONAL FUEL TAX AGREEMENT (IFTA)



The International Fuel Tax Agreement (IFTA) is an agreement between the United States and Canada that allows **federal** carriers to operate in more than one location. This plan was created to make it easier for carriers to register, licence, report and pay taxes for motor fuels (such as diesel and gasoline).

A carrier licensed under IFTA is required to send quarterly fuel tax returns to its base jurisdiction, where it is registered.

To register under IFTA, a carrier must have a vehicle that is:

- Registered for a gross vehicle weight of 11,794 kilograms or more;
- A unit with 3 or more axles, regardless of weight.

For more details on the International Fuel Tax Agreement (IFTA), contact:

Alberta Treasury Board and Finance

Phone: 780-427-2731

Toll Free from Within Alberta: 310-0000 Website:

www.alberta.ca/treasury-board-and-finance.aspx

INSURANCE REQUIREMENTS

A carrier must ensure they have the correct type of insurance for their operation. According to the *Alberta Commercial Vehicle Certificate and Insurance Regulation, (AR314/2002)*, the following requirements may apply.

INSURANCE COVERAGE REQUIREMENTS FOR COMMERCIAL TRUCKS

Public Liability and Property Damage

- \$1 Million (minimum) of liability and property damage insurance is required for all commercial trucks.
- \$2 Million if transporting Dangerous Goods as defined by Section 25 of the *Alberta Commercial Vehicle Certificate and Insurance Regulation, AR 314/2002*. Column 7 of Schedule 1 of the *Federal Transportation of Dangerous Goods Regulations* identifies the minimum quantities of each substance before an Emergency Response Assistance Plan must be filed with Transport Canada.

Cargo Insurance

- \$15,000 to \$32,000 of cargo insurance is required depending on the maximum registered gross weight of the vehicle hauling cargo. See the specifications chart below for details.
- If transporting goods owned by the carrier, then the carrier is not required to have cargo insurance.
- If transporting goods in Alberta that are listed on the next page, then no cargo insurance is required at any time.

Specifications	Minimum Insurance Required
For each commercial vehicle engaged in the transportation of farm produce other than dairy products	\$600
For each commercial vehicle engaged only in the transportation of unprocessed milk or cream	Actual cash value of goods.
For each vehicle having a registered gross weight not exceeding 12,700 kilograms.	\$15,000
For each vehicle having a registered gross weight exceeding 12,700 kilograms but not exceeding 18,000 kilograms.	\$20,000
For each vehicle having a registered gross weight of at least 18,000 kilograms but not exceeding 21,000 kilograms.	\$20,000
For each vehicle having a registered gross weight exceeding 21,000 kilograms but not exceeding 37,000 kilograms.	\$27,000
For each vehicle having a registered gross weight exceeding 37,000 kilograms.	\$32,000

The following is a list of all goods that are exempted from cargo insurance:

Schedule 1 of the Alberta *Commercial Vehicle Certificate and Insurance Regulation, AR314/2002*

- | | |
|---|---|
| <ul style="list-style-type: none">• Alfalfa (<i>raw or pelletised</i>)• Animal feed and related concentrates• Animal supplements (<i>not for human consumption</i>)• Asphalt mix (<i>bituminous</i>)• Brick• Cement (<i>dry or wet</i>)• Clay• Coal• Concrete products• Condensate• Crude oil• Crushed glass• Dead animals• Drilling mud• Fodder• Garbage• Grain• Granite• Granulite• Gravel | <ul style="list-style-type: none">• Herculite• Lime• Loam• Logs• Lumber• Newspapers• Organic manure• Peat moss• Propane• Salt• Sand• Sawdust• Scrap iron• Septic tank refuse• Snow• Stone• Sugar beets (<i>raw or pelletised</i>)• Sulphur• Water• Woodchips |
|---|---|

INSURANCE COVERAGE REQUIREMENTS FOR PASSENGER TRANSPORTATION SERVICES

Public Liability and Property Damage

- According to Section 627 of the *Insurance Act*, the registered owner must have at least \$200,000 of Public Liability and Property Damage coverage. However, the insurance industry can require a higher coverage limit:
 - The industry standard for buses carrying 10 passengers or less is to have \$1 million for travel throughout Canada and \$5 million (US) for travel into the United States;
 - The industry standard for buses carrying more than 10 passengers is to have at least \$2 million for travel throughout Canada and \$5 million (US) for travel into the United States.

Passenger Hazard Insurance

According to Section 26 of the *Alberta Commercial Vehicle Certificate and Insurance Regulation* (AR314/2002), the following insurance requirements must be met by persons offering passenger transportation services:

- \$400,000 (minimum) of insurance is required for bodily injury or death of any one person as a result of any single collision;
- \$1 million of insurance is required for bodily injury or death (of 2 or more persons) for each public service passenger vehicle with a seating capacity of 10 or fewer persons, including the driver;
- \$2 million of insurance for bodily injury or death (of 2 or more persons) for each public service passenger vehicle with a seating capacity of 11 persons or more, including the driver.

Express Shipments

- If a bus carrier also offers an express shipment service, then they must also have cargo insurance of at least \$500 for each piece of cargo on board.

NOTE:

Carriers should contact their insurance provider to ensure that they meet all necessary insurance requirements.

